

APPROVED

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

PERSONNEL COMMITTEE

Monday, December 7, 1987
2:10 to 2:50 P.M.
Council Hearing Room

PRESENT

Isiah Leggett, Chairman
William E. Hanna, Jr. Michael L. Subin

SUBJECT: Bill No. 39-87. Trial Retirement for Certain County Government Employees

The Committee had before it a memorandum, packet date December 7, 1987, with attachments, from Senior Legislative Attorney Faden, outlining the issues with regard to Bill No. 39-87.

Mr. Hanna addressed the issues raised at the public hearing by Mr. Garrett, Director, Personnel Office, including the advisability of enacting the bill at a time when negotiations are about to begin with the union on pension issues, the adequacy of present regulations relating to noncompetitive appointments of employees who retire, the possibility of employee manipulation of the provision for the purposes of taking unscheduled vacations or sabbaticals, and possible strain on the personnel system created by retirees returning to work after the trial period.

Mr. Hanna pointed out the benefits of a trial retirement period. He said that providing the employee with the opportunity to retire on a trial basis eliminates the stress which usually accompanies an irrevocable decision to retire. He said that retirement benefits would be adjusted based on the benefits received during the trial period, should the individual return to work.

Responding to Mr. Leggett's concern that a large number of employees may decide to exercise the option to return, Mr. Hanna said that experience indicates that only a small number of people return to work during the trial period.

Mr. Subin noted his support of the bill, stating that studies indicate there is considerable stress associated with retirement decisions, and he expressed the view that the administrative issues which have been raised can be easily addressed.

ACTION: Recommended approval of Bill No. 39-87.

SUBJECT: Draft Bill: Collective Bargaining--Pensions

Mr. Hanna explained the proposed bill which would eliminate pension and retirement benefits from the mandatory subjects for collective bargaining, and he cited instances where the financial security of an organization has been undermined because of the cost of funding pension plans. He expressed the view that all employees should receive the same pension benefits which will not be the case if these benefits are subject to the collective bargaining process. He also noted that a single pension plan for all employees is more easily administered than several.

Mr. Rogers, Personnel Office, advised the Committee of the County Executive's opposition to the bill. He said that negotiations have been completed with the Fraternal Order of Police and that negotiations are beginning with Local 400 on pension issues. He noted that the present system is working successfully. Since there were different understandings among those present of the Executive's position, Mr. Leggett suggested that Mr. Rogers clarify the Executive's position for the record prior to Council consideration of the bill.

Mr. Subin pointed out that last year the Council, Executive, and union agreed to defer resolution of the pension issues until a complete review of the issues was conducted, and he expressed the view that it was inappropriate to consider a change in that agreement now that it is coming to closure. He expressed confidence in the County's bargaining team as well as the bargaining team for the union and said he believed that the issues will be successfully resolved. He noted that the agreements reached by the Executive are not binding on the Council if it does not wish to accept them. With regard to the financial issues, Mr. Subin said that the Board of Investment Trustees was established to manage the retirement funds and, if the County continues to appoint diligent members to the Board, he does not believe there is reason to be concerned about Montgomery County's financial security.

ACTION: Requested Mr. Garrett to provide updated information concerning the study being conducted by the Office of Management and Budget on pension issues.

Recommended against approval of the bill, Mr. Hanna voting in the negative.

Agreed to bring the bill before the Council with a negative Committee recommendation.

This is an accurate account of the meeting:



Kathleen A. Freedman, CMC
Secretary of the Council

Minutes written by: Sherry Homer, Assistant Secretary